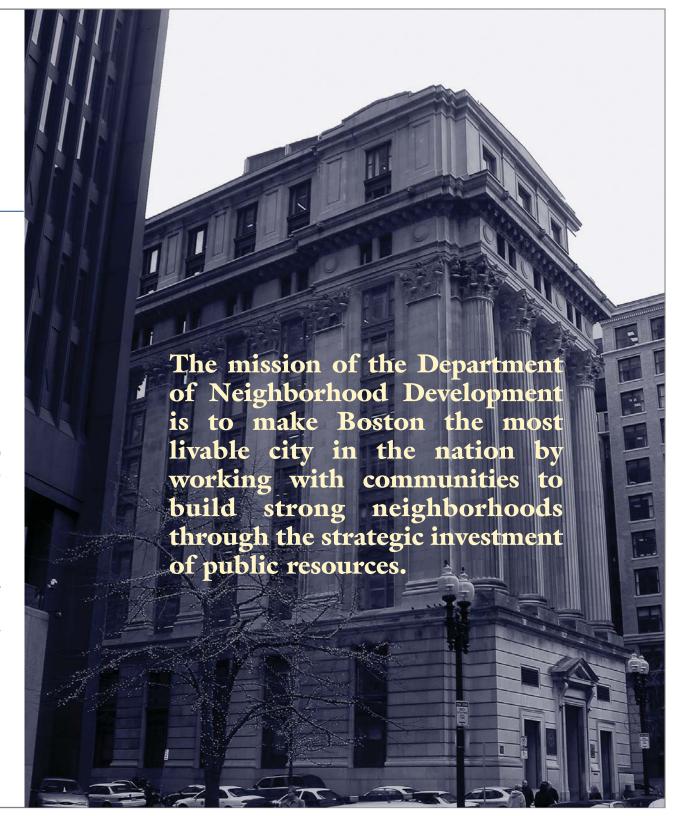


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1

December 2004

Letter from the Mayor

Dear Friends,



Boston is one of the most livable cities in America, and the core of its strength is its neighborhoods. As Mayor, it has long been my goal to make sure that Boston's neighborhoods work for each of its residents. I believe that working together, we can make Boston a city where every child can receive a good education, every resident can acquire a good job, and every family can be a part of a strong and vibrant neighborhood. The work that the Department of Neighborhood Development (DND) does is a critical component of achieving that goal.

DND's work enhances the quality of life for all Boston's neighborhoods. By strategically targeting resources and providing superior customer service, DND has helped to create a city that is safe, secure, and welcoming. The Neighborhood Housing Development division develops and preserves affordable housing and creates open spaces. Through the Boston Home Center, Home Buyer Services helps residents become homeowners by teaching them what it means to hold a mortgage, helping them to repair their credit and providing financial assistance. Home Owner Services helps our residents become better landlords and better neighbors, by offering low-cost loans that help repair and rehabilitate dilapidated buildings. Vacant lots are cleaned, managed and sold by the Real Estate Management and Sales Division so that land not only can be returned to the tax rolls, but also can become the kind of project that a neighborhood can be proud of. The Office of Business Development ensures that small neighborhood business owners have access to a full range of technical and financial resources.

Over the course of the last fiscal year, DND introduced new programs and services that not only expand upon these goals in innovative ways but also are often a direct response to the requests of Boston's residents. As Mayor, I'm proud of DND's accomplishments, but I know that we can do more. By working together, we can achieve the goal of making Boston the most livable city in the nation.

Sincerely,

Thomas M. Menino Mayor of Boston

Letter from the Director

December 2004



Dear Friends,

Tremendous change for the better is taking place in neighborhoods all across Boston -- and the story of DND's work makes a powerful statement about the City's commitment to invest in its residents, non-profit organizations, small businesses, and our neighborhoods. Where there were once vacant lots, there are now well-designed affordable homes. Where abandoned properties stood, there are now commercial buildings being renovated to house professional services. Residents now find new or refurbished sit-down family restaurants and stores available in their local neighborhood squares.

Anywhere you see these changes, it is a safe guess that DND had a hand in these improvements. Whether through grants or loans, technical assistance, housing counseling, or through the provision of City-owned land, which supports most major developments, the DND team takes pride in our role in making our neighborhoods safer, stronger, and more attractive places to live, work, and raise our families.

On these pages you will see our shared values -- strong, sensible development, the wise investment of resources, the use of data to document need, and training to enable home purchase and maintenance and prevent unwise borrowing -- all reflected in DND's work. We have strengthened our Main Streets program and have helped nonprofits better cope with budget cuts by funding needed capital improvements to their properties so they can direct their scarce resources to programs and services. With great success, we have tackled head-on tough issues like the need to eliminate childhood lead poisoning and to reduce the number of abandoned properties. And, in the last year, we have contributed to our local economy by helping to create 7,000 new jobs in Boston solely through our housing and economic development efforts.

We are DND: the 200 people who work at this agency and who deserve mention for the successes we highlight in this year's annual report. They've made it possible for the Mayor and me to stand proudly at so many celebratory ribbon cuttings. And we are also Boston -- your neighbors, your colleagues, your family and your friends.

Sincerely,

Charlotte Golar Richie

Charlotte Golar Richie, Chief and Director Department of Neighborhood Development

introduction

The Department of Neighborhood Development (DND) was first created as the Public Facilities Department (PFD) in 1966, with a mandate to provide for the efficient and economical construction and repair of municipal buildings. It operates under the leadership of a director, who also serves as Chief of Housing in the Mayor's Cabinet, and a three-member commission appointed by the Mayor. Since the agency's start in 1966, it has gone through a great metamorphosis. It has evolved into an agency comprised of seven program and support divisions and 200 employees, and with a budget of more than \$100 million. DND's staff, trained professionals from many fields, are more diverse and representative of Boston's neighborhoods than ever before.

Yet, in any era, **DND**'s focus has always been the same: to improve Boston's neighborhoods -- one street at a time, one house at a time, one business at a time, one family at a time -- with a goal of making Boston the most livable city in the nation.

DND is the City agency that receives and administers federal entitlement grants provided by the U.S. Department of Housing and Urban Development. These funds are used to strengthen Boston's neighborhoods through the development of affordable housing and small businesses, to combat homelessness, and for human services programs, including afterschool, daycare, elderly services and job training.

The agency's key initiatives include *Leading the Way II*, a multi-year housing production and preservation campaign; *HomeWorks*, programs to help existing homeowners make needed repairs to their properties; *Don't Borrow Trouble*, a program that not only warns homeowners about the potential pitfalls of mortgage refinancing, but teaches them how to repair their credit and aids them in getting foreclosure prevention services; *Main Streets*, a small-business initiative operating in 19 neighborhood commercial districts; *The*

Blue Hill Avenue Initiative, a city-community partnership to improve a long-distressed corridor in Dorchester and Roxbury; the East Boston initiative to redevelop all DND-held properties in that community; and DND environmental programs to clean up and redevelop large hazardous sites, such as the former Modern Electroplating site in Roxbury and the former Lewis Chemical site in Hyde Park.

In addition, **DND** preserves open space, and provides homebuyers and homeowners with information, technical and financial resources. The agency works with neighborhood residents to determine new uses for vacant City-owned real estate and seeks to find consensus and unity in determining how to best serve the community's needs.

All of these efforts require resources, staff commitment, and teamwork. Enough cannot be said about the many invaluable partnerships that have assisted the agency in its work. Much of what DND has been able to achieve and can highlight in this Fiscal Year 2004 Annual Report is due to the commitment of Boston's many community development corporations and other nonprofit partners, as well as the state's housing and community development agency and its quasi-public housing agencies, and the private lending community. In addition, DND is working more closely with other city departments to tackle goals, streamline processes, and address duplication of effort, with a view toward better serving the public. These collaborations are greatly responsible for our successes in revitalizing neighborhoods and in tackling seemingly intractable problems.

DND has operated with the strong belief that by working collaboratively, the agency can improve Boston's neighborhoods and serve as a model, not only for neighborhood development, but also for cooperation through partnerships with the community and the public and private sectors.

business development



The Office of Business
Development
(OBD) was established by Mayor Thomas M. Menino in 1998 to provide resources to entrepreneurs,

businesses, and neighborhood commercial districts to support business growth and job creation. *OBD* provides financial and technical assistance, offering one-on-one guidance and technical resources for businesses starting up, expanding, or locating in Boston. *OBD* has consistently been ranked the second largest economic development agency in Massachusetts by the <u>Boston Business Journal</u>, leveraging an average of \$35 million in financing over the past four years, including \$33 million in FY04.

OBD's programs include the *Business Assistance Team*, which offers an array of business services and resources to entrepreneurs and small business owners including technical assistance in administration, development, marketing, education, design, and business recruitment. In FY04, the *Business Assistance Team* processed over 1,500 inquiries from constituents.

The Commercial Real Estate and Business

Development Finance program provides critical

funding that closes the gap between conventional financing, business owner equity, and the project's total cost. In addition, the Commercial Real Estate division also offers established businesses design assistance for façade renovation through ReStore Boston, in the form of matching grants of up to \$7,500. In FY04, ReStore Boston improved 85 facades, expending \$500,000. Since DND has always recognized that the business community is not only composed of for-profit entities, OBD also offers assistance through its Partners with Nonprofits program. In FY04, Partners provided matching grants of up to \$25,000 for capital improvements to 40 neighborhood-based nonprofit facilities, helping many non-profits close the gap in hard-to-raise capital revenues.

Boston Main Streets is one of DND's most recognized programs and is coming up on ten years of work revitalizing our neighborhood business districts. Operating in 19 neighborhoods across Boston, *Boston Main Streets* is a public-private initiative that helps commercial districts capitalize on their unique historical, cultural, and architectural assets, while addressing economic development needs relative to business retention, growth, and recruitment. FY04 saw the creation of 340 new jobs in 44 new businesses created in *Main Streets* districts, as well as the improvement of 25 storefronts.



St. Mark's Main Streets Shopping in the St. Mark's area of Dorchester

Hat Shop, Birch Street Roslindale (above at left)



Crosstown Hotel Hampton Inn in Roxbury

business development

In FY04, *OBD* created the City's innovative *Hotel Development Loan Fund* and made available \$40 million in Department of Housing and Urban Development (HUD) Section 108 loan funds. This fund is expected to leverage \$750 million in construction, create more than 1,200 jobs, and generate more than \$10 million in annual tax revenue for the City of Boston through its first two recipients, the Westin Convention Center Hotel and Regent Boston Battery Wharf Hotel. All repaid funds will be committed to support the creation of affordable housing and new economic development in Boston's neighborhoods.

OBD has been supporting the communitydriven initiative of creation and restoration of artistic facilities in Boston's neighborhoods. like its recent support of the new film production house The Film Shack on Blue Hill Avenue. One of FY04's signature projects is the renaissance of Hibernian Hall in Dudley Square, now renamed The Roxbury Center for the Arts, Culture and Trade. This more than 15,000-square-foot building is being renovated into an arts-oriented complex of galleries, studios, performance, exhibition, education, and commercial spaces. It not only will restore a major artistic asset to Dudley Square, but also is part of the City's continuing focus on revitalization of this traditional center of business and culture in the heart of Roxbury.

Restaurant Initiative



Dining at West on Centre West Roxbury

engage in dialogue with neighborhood residents about what they would like to see developed in their neighborhoods. When the subject is neighborhood-based business, the answer is loud and clear: universally, residents want quality, sit-down restaurants. West on Centre opened in West Roxbury after receiving grants from *OBD*, including funds from *ReStore* to transform what had been a dark, windowless space into a welcoming, light-filled environment that opens up to the streetscape.

DND welcomes the opportunity to

After receiving business assistance grants from *OBD* and Brighton Main Streets, Devlin's Restaurant, a bustling restaurant and coffeehouse, took over a space that had been vacant for more than a decade. These examples illustrate why *OBD* has announced the *Restaurant Initiative*, a one-year program designed to facilitate the opening of up to five full-service restaurants in Boston's neighborhood commercial districts in FY05.



Dining at Devlin's Restaurant Brighton

real estate & land management



The Real
Estate
Management
and Sales
(REMS) division manages
City of
Boston real

estate holdings, many of which are vacant buildings and land that have been foreclosed upon for tax reasons. One of REMS' primary functions is to work with neighborhood residents in crafting consensus on reuse and redevelopment of these often blighting facilities and locations. By utilizing the Community Notification System, *REMS* ensures that all nearby residents, property owners, local elected officials and community groups are given advance notice that DND is planning to make property available for development. Through this community process, and with the aid of *REMS*' environmental assessment and cleanup programs, *REMS* is an integral part of DND's efforts to create new housing, identify sites for potential capital construction projects, develop small neighborhood businesses, and generate homeownership opportunities.

REMS' programs serve both individual and commercial users who are interested in redeveloping land or buildings. To do so, *REMS* has developed a central information center called *The Clearinghouse*, which has detailed information about all City-owned parcels, both suitable

and unsuitable for development. *The Clearinghouse* provides data for the *Available Property Inventory*, a searchable web-database of all available, developable City-owned land, including all Requests for Proposals. In addition, privately owned abandoned buildings and land are also indexed, creating one-stop shopping on the City of Boston's website for parties interested in acquiring land and/or buildings for development opportunities.

Through its *Property Disposition* programs, *REMS* conveys residential and commercial property for sale from the City's inventory to new owners. In FY04 *REMS* reduced their land inventory by 161 parcels by working with abutting neighbors, neighborhood associations and other city agencies to create new side yards, off street parking, and pocket parks.

Expanding Commercial Opportunities was unveiled in FY04 to market City-owned land and building for development. For example, *REMS* sold the former Boston Police headquarters on Berkeley Street. This 1920s historical landmark was redeveloped into the widely-praised, nine-story, 220-room luxury Jurys Doyle Hotel. The \$14 million in proceeds from the sale were used to create and preserve affordable housing in the City of Boston through the *Leading the Way* housing strategy. *REMS* conveyed one acre of land on Columbia Road in Dorchester to develop a 41,000 square foot,



Jurys Doyle Hotel, Back Bay

(Above at left)
The Yawkey Center rendering
Columbia Road, Dorchester



Boston Fire Department, East Boston This former firehouse is currently offered for redevelopment

real estate

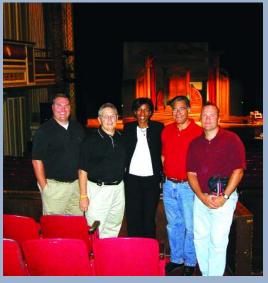
\$10 million state-of-the art community multi-service center. When it opens in 2005, the Yawkey Center will offer child care, after school programs, computer literacy programs, English as a second language, family literacy, teen programs, health programs, job placement and counseling, elder services, food pantry and family stabilization programs. This entity, a collaboration between Catholic Charities and the Haitian Multi-Service Center, received a \$5 million grant from the Yawkey Foundation of Boston.

Because property that is conveyed to *REMS* is not always unoccupied, REMS must serve as a steward for properties awaiting conveyance or other mitigation. REMS' Property Management programs provide preservation and repair services to City-owned buildings and oversee the demolition of unsafe buildings, the relocation of tenants of tax-foreclosed, occupied properties, and environmental assessment and remediation. In FY04, REMS managed and maintained 43 buildings, demolished two hazardous structures and mitigated 41 hazardous sites. In addition, REMS' Land Management program works to ensure that vacant lots have white picket fences and are maintained until redevelopment occurs. In FY04, REMS maintained 1,656 vacant City-owned parcels of land, keeping them from becoming a blighting force in the neighborhoods they occupy.

REMS Property Management stewardship extends

Supporting Arts Development

to one of the most significant pieces of property on the City rolls: The Strand Theatre in Uphams Corner, Dorchester. This 1,400 seat venue was built in 1918 and originally was a moviehouse. Since the Strand reverted to the City in the 1970s, the community has argued that it be maintained as a performing arts center, presenting a blend of performance, community events, and cultural programming that reflects Boston in all of its multicultural glory. Since the arts are such a strong part of what makes a city unique, vibrant, and livable, DND is pleased to support the Strand and the development of other enterprises that support the arts.



DND Staff and Director Strand Theatre, Dorchester

Robert Spruill, owner The Film Shack, Roxbury

FY04 saw major renovation of 324-326 Blue Hill Avenue, a long-vacant building conveyed by *REMS* for redevelopment as The Film Shack. This state-of-the-art film production house not only will aid Boston's current crop of young filmmakers, but also will serve as an inducement to others in the industry to use its services. Upper floors are also being renovated with an eye toward space for artists, and may include gallery space.

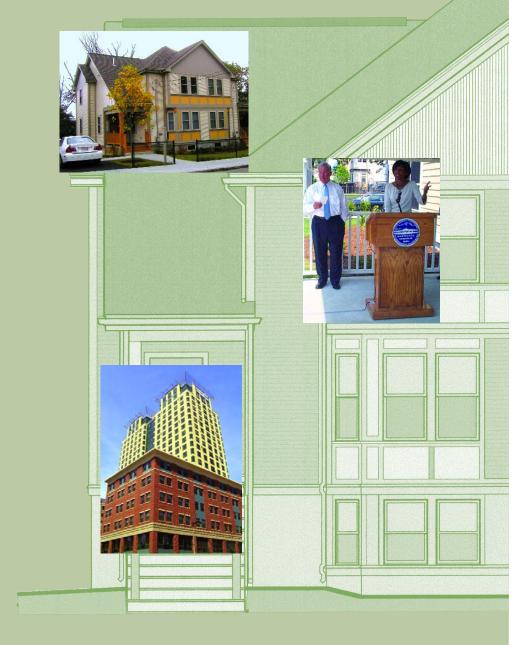
Creating Affordable Homes for Boston Residents

The Menino Administration's focus on revitalizing Boston's neighborhoods has created great benefits for Boston's residents: safer streets, better schools, refurbished parks, improved infrastructure, and an increase in neighborhood-based businesses. In addition to its historical focus on academia, medicine, and the financial services industry, Boston has also become an international leader in biomedical research and technological innovation. All these improvements have made Boston's neighborhoods even more popular, putting increased pressure on the housing supply.

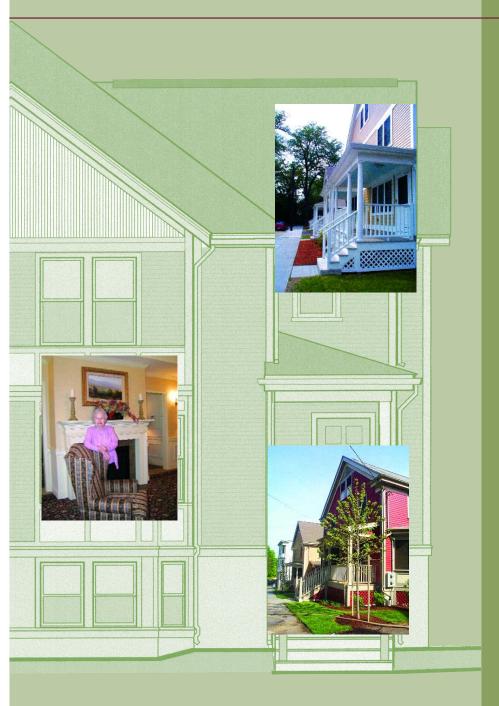
DND, in conjunction with other key housing and permitting agencies, addressed the challenge by becoming a key participant in *Leading the Way*, Mayor Menino's comprehensive production and preservation housing strategy. But that is just one of the tools used to try to increase Boston's affordable homeownership and rental market. DND has myriad programs and services designed not only to build or renovate housing, but also to teach constituents what it means to be a homeowner or a landlord.

Home Buyer Services (HBS) is best known for running the Boston Home Center, a one-stop source for education and financial assistance for those interested in buying a home. It is also responsible for marketing and selling most of the homeownership properties developed by the Neighborhood Housing Development (NHD) division. NHD collaborates with non-profit and for-profit partners to develop and preserve affordable housing, with specific programs aimed at homeownership, rental housing, and housing for the homeless and other at-risk populations. The Homeowner Services Division (HOS) provides an array of programs and services ranging from financial to educational assistance for homeowners interested in improving their properties, with a special emphasis on programs for seniors.

This section of the FY04 annual report will focus on the three divisions responsible for all of DND's housing programs.



leading the way



In October 2000, Mayor Menino announced *Leading the Way (LTW)*, a three-year comprehensive strategy to increase housing in the city. *LTW* required that all key City agencies that participate in housing matters collaborate to achieve these goals:

- Create 7,500 new units of housing, including 2,100 affordable units;
- Return 1,100 formerly vacant public housing units to active use;
- Preserve 5,300 affordable rental units from becoming market rate.

DND's housing divisions, as well as the Boston Redevelopment Authority, the Boston Housing Authority, and Inspectional Services Department, worked in concert to attain and exceed these goals with 7,913 units permitted, including 2,217 affordable units. 1,079 public housing units were renovated, and 5,200 units of rental housing were preserved.

Building on *Leading the Way's* success, Mayor Menino convened a second Housing Advisory panel in 2003 with members of the housing and homeless advocacy and development fields. FY04 marked the first year of *Leading the Way II (LTW II)*, a four-year, comprehensive inter-agency strategy that has the following goals:

- Create 10,000 new units of housing, including 2,100 affordable units;
- Renovate 2,000 properties;
- Preserve at least 3,000 units of affordable rental housing;
- Convert 300 units into new, long-term affordable housing;
- Launch a \$10 million campaign to prevent homelessness and expand housing opportunities for Boston's existin0g homeless.

In Year 1 of *LTW II*, 575 units have been permitted. Over the four years of *LTW II*, 6,600 jobs in construction will be created. *LTW II* reports will be made available on an annual basis, and are accessible at www.cityofboston.gov

Homebuyer Services



Homebuyer 101 neighborhood class

Homeownership is an integral part of the American Dream, and is also key to neighborhood stability. DND's *Homebuyer Services Division (HBS)* is committed to helping Boston's residents fulfill that homeownership dream by providing potential homebuyers and homeowners with information, education, and financial and technical assistance through its

award-winning *Boston Home Center*. In FY04 alone, financial assistance in the form of downpayment and closing cost assistance of \$887,395 was provided to 247 homebuyers. In addition, *HBS* marketed affordable housing units developed by *NHD* through its *1st Home Program*, holding ten lotteries for 61 homes and a total of 71 housing units.

The Boston Home Center was created in 1996, and since then has established a number of innovative programs. Chief among these are education programs designed to teach potential homeowners what holding a mortgage means, and what is required to be approved for one. The Homebuying 101 curriculum is now offered 134 times a year, and is taught in seven languages (including American Sign Language), by the *Home Center's* non-profit partners. Unfortunately, it has become apparent that the number of people who want to buy homes has clearly outstripped the number qualified to purchase them. Poor credit history and a lack of savings are the chief obstacles to homeownership. To battle these obstacles, *HBS* has begun offering CreditSmart, a program created by federal mortgage lender Freddie Mac and five Historically Black Colleges and Universities to help consumers understand, build, and maintain better credit. Get Credit Smart, a two-hour module of the program, was incorporated into Homebuying101 courses in FY04.

Recognizing that the complexity of credit issues requires more than just educating constituents, *HBS*, *Administration & Finance* (*A&F*), and some non-profit educational partners participated in a four-part consumer credit counseling training on budget counseling, credit awareness, foreclosure prevention, and the homebuying process in June 2004. DND staff are now certified to provide consumer credit counseling. This training was in addition to a foreclosure prevention training held in May 2004, which covered workout options for foreclosures, early intervention, warning signs, and foreclosure prevention and intervention.

The *Don't Borrow Trouble* campaign, *HBS'* award-winning "buyer beware" program about mortgage refinancing, has initiated a new phase in its marketing campaign geared toward educating consumers, as well as providing foreclosure prevention and intervention assistance. FY04 saw new direct mailings, bus shelter ads, billboards and radio ads. In addition, approximately 1,300 people received information via

presentations at housing fairs and seminars.

In fact, *HBS* has begun an intensive phase of marketing many of its programs and services directly. In February 2004, *HBS* began holding *1st Home Application Seminars* in neighborhood libraries and community centers, providing potential first-time homebuyers with information about the program and its application process. In addition, *HBS* has been holding bimonthly, neighborhood-based information seminars on *Three Decker Plu\$*, a new initiative that helps make the purchase of a three-decker home in Boston affordable to low- and moderate-income first-time homebuyers. Both of these new seminars have attracted more than 250 participants apiece.



Don't Borrow Trouble bus shelter ad, East Boston

housing

Neighborhood Housing Development



New affordable housing Stanwood Street, Dorchester

Neighborhood Housing Development (NHD) works with non-profit and for-profit partners to develop and preserve affordable housing, including some for Boston's most at-risk and special needs populations. In addition, NHD works with local non-profit agencies to create open spaces.

NHD has two major homeownership production initiatives. The first, Home Again, uses vacant City-owned land for development of new homeownership housing. These units are then sold to individual income-eligible first-time homebuyers. The second, Homeownership, makes gap financing available to developers through competitive funding rounds dedicated to the production of quality, affordable homes. Both of these programs have affordability covenants attached to properties. Over the past four fiscal years, these programs have yielded much of the affordable housing development that the City has counted in its Leading the Way initiatives.

With the end of rent control, *NHD*'s *Rental*Development Program has become ever more necessary to the production of new rental housing projects and the rehabilitation of long-term vacant properties.

NHD provides loans to for-profit and non-profit developers to build or rehabilitate apartments for low- and moderate-income individuals and families

through competitive funding rounds. These projects range from affordable rental housing, to elderly and assisted-living facilities, to single-room-occupancy settings.

During FY04, *NHD* produced 585 units, including 464 affordable ones. This represents a commitment of \$14 million to homeownership and rental housing production.

The turn of the century brought an end to many of the 30-year mortgages funded by the Federal government that required the maintenance of affordable housing during the mortgage term. Through the *Rental Preservation Program*, *NHD* provides financing to preserve affordable housing in developments where tenants are at-risk of displacement due to expiring use restrictions or developmental subsidies. The program provides loans to for-profit and non-profit developers to preserve affordable rental units for low- and moderate-income individuals and families through rehabilitation of existing buildings. In FY04, *NHD* was instrumental in preserving the affordability of 332 units.

NHD administers more than \$16 million in McKinney Grant funds received annually from HUD. These funds provide financing for housing and supportive services for homeless individuals and families, as well as those seeking emergency shelter through the Supportive Housing, Shelter Plus Care and Emergency Shelter Grants programs. In addition, the Rolling Stock program provides temporary shelter to homeless families who lease scattered site

apartments and then receive a Section 8 housing subsidy through the BHA.

In FY04, *NHD* served 6,905 homeless people through McKinney grants and administered \$2.4 million in *Housing Options for Persons with AIDS (HOPWA)* grants. These grants provide permanent and transitional housing, housing counseling and support services for individuals and families living with AIDS.

The *Grassroots Program* provides technical assistance and funding for planning and building community gardens and other neighborhood open spaces. These open spaces are operated and managed by local neighborhood organizations and have often been developed on Cityowned land. In FY04, *NHD* provided a total of \$399,873 funding to five local non-profit organizations for 11 open space projects.



Mixed-income housing Rollins Square, South End

housing

Homeowner Services



The *Homeowner Services* Division (*HOS*) offers Boston's homeowners an array of programs to help renovate their homes, purchase and rehabilitate "fixer-uppers," and upgrade condominiums in one-to four-family properties. In addition, *HOS* has a series of programs

designed to meet the particular needs of Boston's elder homeowners, as well as programs to mitigate the effects of lead-based paint hazards in Boston's older housing stock. These programs provide a comprehensive package of services including repair estimates, grants, zero percent (0%) and below market rate loans, contractor selection, and project monitoring for income-eligible property owners.

Perhaps the best known of *HOS*' programs is its highly visible *Boston HomeWorks* program. *Boston HomeWorks* has helped to beautify each of Boston's neighborhoods by providing homeowners with technical and financial assistance for interior and exterior home repairs. *Boston Historic HomeWorks* and the *Homeworks Emergency Loan* program offer homeowners assistance to preserve their home or

repair an urgent health and safety condition in their home. In FY04, more than 1,400 housing units were repaired or rehabilitated through grants and loans to homeowners. In addition, *Boston Home Works* partnered with the North Bennet Street School to create a series of new "do-it-yourself" home repair classes offered to the public free of charge. This popular series was prompted by the questions of participants in the ongoing series of informational sessions about *Boston Home Works*.

The *Residential Development Program* redevelops City-owned properties for purchase by income-eligible first-time homebuyers. These properties are typically extremely distressed and are sold to the new homeowner for a nominal price, plus the cost of a mortgage loan to renovate the property. *HOS* works with the new homeowner throughout the renovation process, providing the homebuyer with financial and "hands-on" technical assistance.

In FY04, HOS created the new Boston Build Home Iniative, expanding beyond City-owned buildings into City-owned land to create homeownership opportunities. This pilot initiative for first-time homebuyers offers new homeowners a chance to develop and build their own homes. The Boston Build Home Initiative offered 11 sites at a nominal price for sale in



HOS' Construction specialists help homeowners hire and manage their repair jobs above and right.

Above left, a satisfied homeowner in her new kitchen in Dorchester.

housing

FY04. Each site is zoned for single or two-family homes, and there are design specifications attached to each sale.

HOS' award-winning Lead Safe program has become a national model for more than 100 locales. Through Lead Safe Boston, HOS helps homeowners de-lead their homes and reduce the risk of lead-paint poisoning in children. In FY04, 63 households received financial and technical assistance. In FY04, Lead Safe Boston was awarded a new demonstration grant, which will allow the program to provide de-leading assistance to homes with more than four units.



Programs for Seniors

Boston's elderly residents are often its most vulnerable. Living on fixed incomes, and often alone, Boston's elders may have significant difficulty in managing the upkeep of their homes. In order to assist these seniors, *HOS' Senior Homeowner Services (SHOS)* has an array of products and services. Working in partnership with non-profit agencies, *SHOS* provides qualified seniors with repairs ranging from fixing broken windows to hot water heater replacement to moderate and major rehabilitation. The *Senior Emergency Home Rehabilitation Program* corrects housing conditions that jeopardize the



Staircase chairlift West Roxbury

immediate health and safety of elder homeowners. Common emergency conditions include replacement of failed heating systems, ruptured sewer



Total Renovation Nazing Street, Roxbury

lines and severely deteriorated roofs. For moderate repairs and rehabilitation, the *Senior Home Rehabilitation* program provides financial and technical assistance to qualified seniors. Seniors whose properties include vacant rental units are eligible for additional financing through the *Senior Vacant Unit Initiative*. In exchange for this additional funding, program participants enter into a ten-year Rent Regulatory Agreement that stipulates that the newly renovated units be rented to low- and moderate-income households. In FY04, repairs were made to 41 housing units, for a total of \$886,494 in funding assistance disbursed.

administration & finance

The Administration & Finance Division (A&F) provides oversight and management for a broad array of departmental responsibilities, providing technical assistance and support to DND and other City of Boston departments, as well as Federal and State agencies. Since one of A&F sprimary functions is to manage DND's \$100 million annual budget through its Accounting, Finance, Budget and Compliance units, the division prepares required reports for the City, State and Federal agencies as well as for the general public. The charts on this page summarize the budget plan uses and revenue sources.

In addition to these budgetary matters, $A \mathcal{C}F$ manages a number of other functions which make the day-to-day operation of DND a reality.

Budget and Compliance monitors conformity with affordability covenants placed on property developed with DND funds. Loan Management is responsible for the collection of loans DND has issued to make these projects possible.

Accounting and Finance manages the flow of federal funds and the efficient processing of payments for DND projects and programs.

All contracts issued by DND, whether for administrative services or for the building of new housing, are administered by the *Contracts* unit.

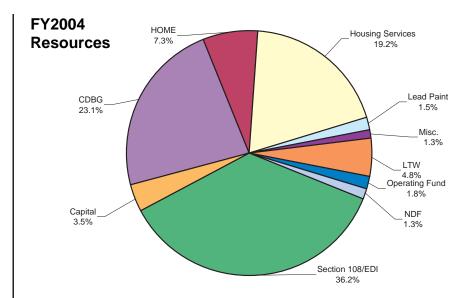
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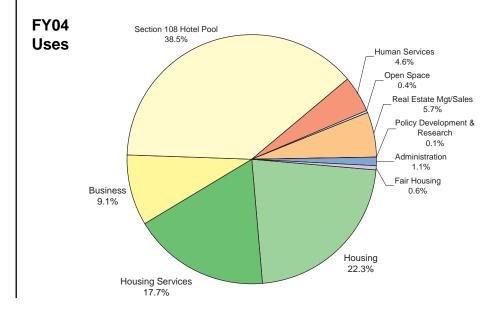
Records Management maintains DND's project records in accordance with state and federal regulations but also with an eye toward the historic necessity of archived materials for municipal government.

Administrative Services manages the facilities that house DND's staff in various locations and is responsible for setting up all administrative service contracts for the agency. This unit also manages the day-to-day mail and copying activity.

Management Information Systems manages the data backbone of the agency, from the network required for DND's intranet, database and computing systems to the operating hardware for that system and the agency's internal communications system.

Human Resources manages all personnel resources within the agency, whether it is new hires, labor contract renegotiations or benefits.



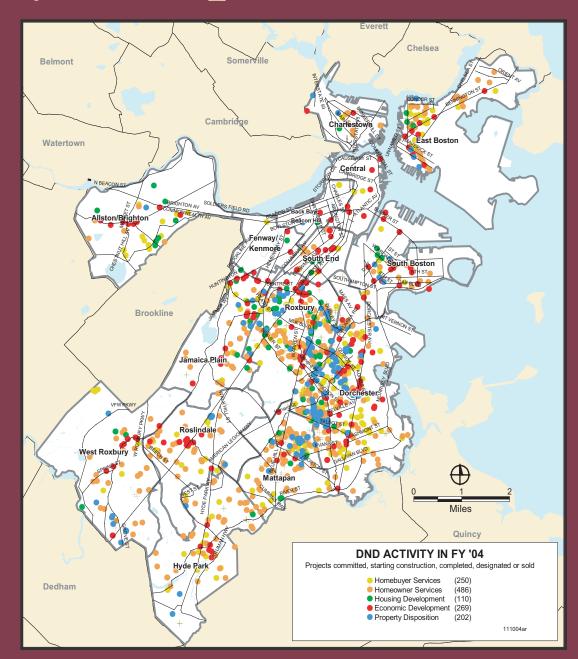


policy development & research

The *Policy*, *Development and Research* (*PDR*) is the City's key liaison to HUD. Staff manage the City's federally-mandated process requiring citywide participation in directing resources to programs that serve the public need. *PDR* also supports DND with program development assistance, research and policy analysis, mapping, data services, grant writing and technical assistance on regulatory and compliance matters.

In addition *PDR* also assists the agency in securing state and federal resources to support new and existing programs. In 2004, the division successfully assisted housing staff in acquiring grants for lead abatement and brownsfields assessment. *PDR* works with the Mayor's Office to monitor government legislation that impacts DND's programs and the City at large. *PDR* conducts an annual survey of abandoned property, which has documented a decrease from over 1,000 abandoned properties in 1997 to less than 400 in 2004. The 2004 report is available on the City's website at www.cityofboston.gov/dnd.

PDR produces hundreds of custom maps, not only for DND's internal planning but also for other City departments and for community organizations. PDR continues to maintain the Director's Tracking System, which provides a centralized database for key information regarding housing and commercial development and property disposition. This map is an example of the kind that PDR produces to illustrate DND's work in the neighborhoods.



behind the scenes

looking ahead

There are many staff at DND who are working behind the scenes to advance this agency's mission. Whether it's preparing contracts, fielding media calls or designing publications, these staffers keep the agency on track to reach its goals.

You will find them in the following areas:

- The Legal Unit has staff attorneys who practice in the areas of real estate and contract law. They handle closings, conveyances and restructurings; prepare loan and grant documentation for housing and commercial development; review contracts and requests for proposals; and provide advice on human resources, labor relations and conflict of interest matters.
- Marketing, which is responsible for a significant portion of external agency communications, ranging from brochures about consumer-based programs, to major policy publications, to production of television and radio public service announcements. Marketing provides writing, editing, design, layout, photographic and production services to DND.
- Public and Media Relations, which is the office of the spokesperson for DND, and is responsible for all public communication with the media. Staff coordinate and produce all agency public announcements and schedules, and handle ribbon cuttings, groundbreakings and other press events in coordination with the Mayor's Office and the community. In addition, staff produce the interagency bulletin called DNDigest and design and maintain the agency's website.

DND will continue to forge ahead in making the kinds of improvements that Bostonians want to see in their neighborhoods: development of attractive, affordable housing; preservation of subsidized rental housing; opening of new community friendly businesses; availability of more resources for home repair; expanded opportunities to access arts and culture; development of recreational and open space to support new housing; advocacy for improved transportation to complement development, and more.



Fairmount Court: DND staff are working with Hyde Park residents on a plan for the abatement and redevelopment of the former Lewis Chemical Plant site in Hyde Park.

Some new initiatives to watch for:

- Main Streets 10th Anniversary: This award-winning program is celebrating a decade of small business and job creation in Boston's neighborhoods.
- Boston Home Center: DND staff will continue to focus efforts on protecting homeowners from falling victim to predatory lenders and in enabling them to repair their credit through the brand new CreditSmart program.
- Restaurant Initiative: DND is moving ahead with plans to bring sit-down family-style restaurants to our neighborhoods.
- Arts and Culture: DND is seeking new management for the historic Strand Theatre and OBD staff will assist with the renovation of the new Roxbury Center for Arts, Culture and Trade.
- Leading the Way II: Having completed its first year of a four-year plan with a record-breaking 3,000 units permitted, LTW II will focus on homelessness, improving the City's permitting process, and the preservation of expiring-use properties.
- Lead Paint Demonstration Project: DND's expanded lead paint abatement programs will allow larger buildings to be de-leaded, keeping more at-risk youngsters from potential harm.

acknowledgements

Throughout this report, we have emphasized that it is through cooperation and collaboration that DND has achieved so many of our goals. In fact, without the partnership of organizations from many different sectors of our city, we would not be half as successful. In particular, we'd like to acknowledge the hard work of other City agencies, and our compatriots at the State and Federal level, as well as the Boston City Council and the Boston Legislative Delegation. The business and finance communities have never hesitated to answer our calls for aid, whether it's the banking industry, the utilities, or our partners in the for-profit developer industry. Finally, we owe a debt of gratitude to our partners in Boston's vigorous non-profit sector. From the community development corporations, to the foundations, to the many civic associations that work so hard in our neighborhoods, Boston has a dedicated core of people who are determined to make our city the best it can be for all of our neighbors.

Thank you for all of your assistance in 2004.



Photographs on pages 8 & 9 represent the following DND projects: Imprinted on the house, clockwise from top right:

A senior citizen in her new home at Zelma Lacey House in Charlestown This porch of a new home shows the level of detail put into DND housing Colorful new construction in Mission Hill

The Metropolitan in Chinatown

Mayor Menino and Chief Richie celebrate the completion of new housing in South Boston

New housing in Fenwick Gardens complements the streetscape

On page 9, in Leading the Way:

This redevelopment of the former Boston Specialty and Rehabilitation Hospital in Mattapan created 98 affordable and assisted living residences for seniors in the Foley House.

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